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SURFACE TRANSPORTATION BOARD



April 19, 2010

Ms. Cynthia Brown
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20024

ATTN: Ms. Barbara Saddler

Dear Barbara:

Pursuant to the provisions of 49 U.S.C. Sec. 11301, I am presenting for recordation one notarized original and one copy of a Commercial Security Agreement ("Security Agreement"), a primary document, dated as of February 14, 2011 by and among BLUE SKY DEVELOPMENT & LEASING, LLC, a North Dakota Limited Liability Company ("Debtor"), and THE LEADERS BANK, an Illinois Banking Corporation ("Secured Party").

The Security Agreement grants to Secured Party a security interest in, among other things, all railroad cars, locomotives and other rolling stock, relay rail and other track material, now owned or hereafter acquired by Debtor. Descriptions of the rolling stock are attached to the Security Agreement as Exhibit A, Schedule 1, but the property covered by the Security Agreement is not limited to that listed on Exhibit A, Schedule 1.

The names and addresses of the parties to the Security Agreement are:

Secured Party: The Leaders Bank
2001 York Road
Oak Brook, IL 60523

Debtor: Blue Sky Development & Leasing, LLC
5201 North Washington Street
Grand Forks, ND 58203

A short summary of the document to appear in the index is:

Commercial Security Agreement ("Security Agreement"), a primary document, dated as of February 14, 2011 by and between BLUE SKY DEVELOPMENT & LEASING, LLC, a North Dakota Limited Liability Company, and THE LEADERS BANK, an Illinois Banking Corporation, covering all rolling stock, relay rail and other track material and all other assets of Debtor, now owned or hereafter acquired.

I am also enclosing our check in the amount of \$41.00 payable to Surface Transportation Board, representing your fee for the recording of this document.





Leaders Bank

PLEASE RETURN THE ORIGINAL RECORDED DOCUMENT TO MY ATTENTION.

If you should have any questions or need any additional information, please do not hesitate to call me at 630/570-4945.

Barbara, thank you for your assistance in this matter.

Sincerely,

Karen L. Klein
Credit Administration



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COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$2,000,000.00	02-14-2011	08-06-2012	1001739	4A / 415		TJC	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Grantor: Blue Sky Development & Leasing, L.P. **RECORDATION NO. 29761** Lender: **FILED** THE LEADERS BANK
5201 North Washington Street Oak Brook
Grand Forks, ND 58203 2001 York Road
Oak Brook, IL 60523

MAY 03 '11 -4 20 PM

THIS COMMERCIAL SECURITY AGREEMENT dated February 14, 2011, executed between Blue Sky Development & Leasing, LLC ("Grantor") and THE LEADERS BANK ("Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL DESCRIPTION. The word "Collateral" as used in this Agreement means the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the indebtedness and performance of all other obligations under the Note and this Agreement:

All inventory, equipment, accounts (including but not limited to all health-care-insurance receivables), chattel paper, instruments (including but not limited to all promissory notes), letter-of-credit rights, letters of credit, documents, deposit accounts, consumer goods, investment property, money, other rights to payment and performance, and general intangibles (including but not limited to all software and all payment intangibles); all oil, gas and other minerals before extraction; all attachments, accessions, accessories, fittings, increases, tools, parts, repairs, supplies, and commingled goods relating to the foregoing property, and all additions, replacements of and substitutions for all or any part of the foregoing property; all insurance refunds relating to the foregoing property; all good will relating to the foregoing property; all records and data and embedded software relating to the foregoing property, and all equipment, inventory and software to utilize, create, maintain and process any such records and data on electronic media; and all supporting obligations relating to the foregoing property; all whether now existing or hereafter arising, whether now owned or hereafter acquired or whether now or hereafter subject to any rights in the foregoing property; and all products and proceeds (including but not limited to all insurance payments) of or relating to the foregoing property.

Titles to various vehicles/trucks

Purchase Money Security Interest in all collateral listed on attached Exhibit A

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (A) All accessions, attachments, accessories, tools, parts, supplies, replacements of and additions to any of the collateral described herein, whether added now or later.
- (B) All products and produce of any of the property described in this Collateral section.
- (C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.
- (D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.
- (E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. With respect to the Collateral, Grantor represents and promises to Lender that:

Perfection of Security Interest. Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender.

Notices to Lender. Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management or in the members or managers of the limited liability company Grantor; (4) change in the authorized signer(s); (5)

COMMERCIAL SECURITY AGREEMENT (Continued)

change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its membership agreement does not prohibit any term or condition of this Agreement.

Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. At the time any account becomes subject to a security interest in favor of Lender, the account shall be a good and valid account representing an undisputed, bona fide indebtedness incurred by the account debtor, for merchandise held subject to delivery instructions or previously shipped or delivered pursuant to a contract of sale, or for services previously performed by Grantor with or for the account debtor. So long as this Agreement remains in effect, Grantor shall not, without Lender's prior written consent, compromise, settle, adjust, or extend payment under or with regard to any such Accounts. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

Location of the Collateral. Except for vehicles, and except otherwise in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts or general intangibles, the records concerning the Collateral) at Grantor's address shown above or at such other locations as are acceptable to Lender. If the Collateral is a vehicle, Grantor will keep the Collateral at those addresses except for routine travel. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

Removal of the Collateral. Except in the ordinary course of Grantor's business, including the sales of inventory, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. To the extent that the Collateral consists of vehicles, or other titled property, Grantor shall not take or permit any action which would require application for certificates of title for the vehicles outside the State of North Dakota, without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

Transactions Involving Collateral. Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. While Grantor is not in default under this Agreement, Grantor may sell inventory, but only in the ordinary course of its business and only to buyers who qualify as a buyer in the ordinary course of business. A sale in the ordinary course of Grantor's business does not include a transfer in partial or total satisfaction of a debt or any bulk sale. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

Title. Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

Repairs and Maintenance. Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

Inspection of Collateral. Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, reasonable attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings. Grantor further agrees to furnish Lender with evidence that such taxes, assessments, and governmental and other charges have been paid in full and in a timely manner. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized.

Compliance with Governmental Requirements. Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral, including all laws or regulations relating to the undue erosion of highly-erodible land or relating to the conversion of wetlands for the production of an agricultural product or commodity. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

Hazardous Substances. Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any Hazardous Substance. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify and defend shall survive the payment of the indebtedness and the satisfaction of this Agreement.

COMMERCIAL SECURITY AGREEMENT (Continued)

Maintenance of Casualty Insurance. Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest; Grantor will provide Lender with such loss payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the indebtedness.

Insurance Reserves. Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured; (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

Financing Statements. Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement. If Grantor changes Grantor's name or address, or the name or address of any person granting a security interest under this Agreement changes, Grantor will promptly notify the Lender of such change.

GRANTOR'S RIGHT TO POSSESSION AND TO COLLECT ACCOUNTS. Until default and except as otherwise provided below with respect to accounts, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. Until otherwise notified by Lender, Grantor may collect any of the Collateral consisting of accounts. At any time and even though no Event of Default exists, Lender may exercise its rights to collect the accounts and to notify account debtors to make payments directly to Lender for application to the indebtedness. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the indebtedness.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Grantor fails to make any payment when due under the indebtedness.

Other Defaults. Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Grantor.

Default in Favor of Third Parties. Any guarantor or Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of any guarantor's or Grantor's property or ability to perform their respective obligations under this Agreement or any of the Related Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by Grantor or on Grantor's behalf under this

COMMERCIAL SECURITY AGREEMENT (Continued)

Agreement or the Related Documents is false or misleading in any material respect, either now, or at the time made or furnished, or becomes false or misleading at any time thereafter.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution of Grantor (regardless of whether election to continue is made), any member withdraws from the limited liability company, or any other termination of Grantor's existence as a going business or the death of any member, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Grantor or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Insecurity. Lender in good faith believes itself insecure.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the North Dakota Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Grantor would be required to pay, immediately due and payable, without notice of any kind to Grantor.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in Lender's own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or the time after which any private sale or any other disposition of the Collateral is to be made. However, no notice need be provided to any person who, after Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the Rents from the Collateral and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Collateral exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Collect Revenues, Apply Accounts. Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Grantor for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Grantor shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel paper.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Election of Remedies. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

COMMERCIAL SECURITY AGREEMENT (Continued)

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Attorneys' Fees; Expenses. Grantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Governing Law. With respect to procedural matters related to the perfection and enforcement of Lender's rights against the Collateral, this Agreement will be governed by federal law applicable to Lender and to the extent not preempted by federal law, the laws of the State of North Dakota. In all other respects, this Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Illinois without regard to its conflicts of law provisions. However, if there ever is a question about whether any provision of this Agreement is valid or enforceable, the provision that is questioned will be governed by whichever state or federal law would find the provision to be valid and enforceable. The loan transaction that is evidenced by the Note and this Agreement has been applied for, considered, approved and made, and all necessary loan documents have been accepted by Lender in the State of Illinois.

Choice of Venue. If there is a lawsuit, Grantor agrees upon Lender's request to submit to the jurisdiction of the courts of DuPage County, State of Illinois.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Power of Attorney. Grantor hereby appoints Lender as Grantor's irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect, amend, or to continue the security interest granted in this Agreement or to demand termination of filings of other secured parties. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the Indebtedness.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement, shall be continuing in nature, and shall remain in full force and effect until such time as Grantor's Indebtedness shall be paid in full.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Commercial Security Agreement, as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time.

Borrower. The word "Borrower" means Blue Sky Development & Leasing, LLC and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Default. The word "Default" means the Default set forth in this Agreement in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.,

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

Page 6

the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

Grantor. The word "Grantor" means Blue Sky Development & Leasing, LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Grantor is responsible under this Agreement or under any of the Related Documents.

Lender. The word "Lender" means THE LEADERS BANK, its successors and assigns.

Note. The word "Note" means the Note executed by Blue Sky Development & Leasing, LLC in the principal amount of \$2,000,000.00 dated February 14, 2011, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

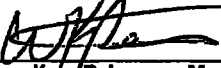
Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this Agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

GRANTOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED FEBRUARY 14, 2011.

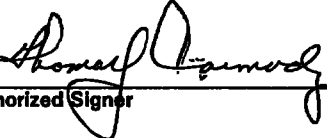
GRANTOR:

BLUE SKY DEVELOPMENT & LEASING, LLC

By: 
William K. Reimer, Member of Blue Sky
Development & Leasing, LLC

LENDER:

THE LEADERS BANK

X 
Authorized Signer SVP

STATE OF NORTH DAKOTA)

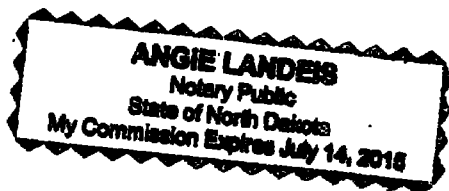
COUNTY OF Grand Forks

The undersigned, a Notary Public in and for said County, in the State aforesaid, DOES HEREBY CERTIFY that William K. Reimer, as Sole Member of Blue Sky Development & Leasing, LLC, a North Dakota Limited Liability Company, whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such authorized Member, he signed and delivered the said instrument as his free and voluntary act and as the free and voluntary act of said LLC, for the uses and purposes therein set forth and pursuant to such LLC's authority,

GIVEN under my hand and Notarial Seal on ^{March} ~~February~~ 15, 2011.

My commission expires: 7-14-15

Angie Landeis



STATE OF ILLINOIS

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) SS

COUNTY OF DU PAGE

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On this 28th day of March, 2011 before me, the undersigned Notary Public, personally appeared Thomas J. Carmody and known to me to be the Senior Vice President, authorized agent for **THE LEADERS BANK** that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of **THE LEADERS BANK**, duly authorized by **THE LEADERS BANK** through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and in fact executed this said instrument on behalf of **THE LEADERS BANK**.

By Nicholl E. Massa

Residing

Chicago, IL

at

Notary Public in and for the State of Illinois

My commission expires 3/8/14

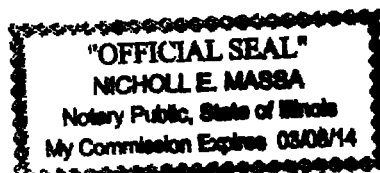


EXHIBIT A

Description of Collateral

All other capitalized words and phrases used herein and not otherwise specifically defined herein shall have the respective meanings assigned to such terms in the UCC, to the extent the same are used or defined therein.

As security for the payment and performance of the Obligations, the Debtor does hereby pledge, assign, transfer and deliver to the Bank and does hereby grant to the Bank a continuing and unconditional first priority security interest in and to any and all property of Debtor, of any kind or description, tangible or intangible, wherever located and whether now existing or hereafter arising or acquired, including, but not limited to, the following (all of which property, along with the products and proceeds therefrom, are individually and collectively referred to as the "Collateral"):

(a) all property of, or for the account of, the Debtor now or hereafter coming into the possession, control or custody of, or in transit to, the Bank or any agent or bailee for the Bank or any parent, Affiliate or Subsidiary of the Bank or any participant with the Bank in the Loan (whether for safekeeping, deposit, collection, custody, pledge, transmission or otherwise), including all earnings, dividends, interest, or other rights in connection therewith and the products and proceeds therefrom, including the proceeds of insurance thereon; and

(b) the additional property of the Debtor, whether now existing or hereafter arising or acquired, and wherever now or hereafter located, together with all additions and accessions thereto, substitutions, betterments and replacements therefor, products and Proceeds therefrom, and all of Debtor's books and records and recorded data relating thereto (regardless of the medium of recording or storage), together with all of Debtor's right, title and interest in and to all computer software required to utilize, create, maintain and process any such records or data on electronic media, identified and set forth as follows:

- (i) All Accounts and all Goods whose sale, lease or other disposition by Debtor has given rise to Accounts and have been returned to, or repossessed or stopped in transit by, Debtor, or rejected or refused by an Account Debtor;
- (ii) All Inventory, including, without limitation, relay rail, other track material, railroad ties, raw materials, work-in-process and finished goods;
- (iii) All Goods (other than Inventory), including, without limitation, embedded software, Equipment, vehicles, furniture and Fixtures;
- (iv) All Equipment and Machinery including, without limitation, all rolling stock, Machinery and Equipment listed in the attached Schedule I;

- (iv) All Software and computer programs;
- (v) All Securities, Investment Property, Financial Assets and Deposit Accounts;
- (vi) All Chattel Paper, Electronic Chattel Paper, Instruments, Documents, Letter of Credit Rights, all proceeds of letters of credit, Health-Care Insurance Receivables, Supporting Obligations, notes secured by real estate, Commercial Tort Claims, and General Intangibles, including Payment Intangibles; and
- (vii) All Proceeds (whether Cash Proceeds or Noncash Proceeds) of the foregoing property, including, without limitation, all insurance policies and proceeds of insurance payable by reason of loss or damage to the foregoing property, including unearned premiums, and of eminent domain or condemnation awards.

Bank has provided the funds for Borrower to purchase the assets owned by Bank listed on Schedule I. Accordingly, Bank shall have a purchase money security interest in the assets listed on Schedule I.

SCHEDULE 1

Locomotives

Make	VIN #	Description	Location	Comment
EMD, SW1200	1208 - 15207	SW1200 Diesel Locomotive	Lumber District, Chicago	Not operational
EMD, SW1200	1209 - 15208	SW1200 Diesel Locomotive	IN Chicago	
EMD, SW1400	1202 - 14359	SW1400 (SW14) Diesel Locomotive	Peoria, IL	
EMD, SW1200	1207 - 14395	SW1200 Diesel Locomotive	Peoria, IL	
EMD, NW-2	1005 - 06582	NW2 Remote-Controlled Locomotive,	Battle creek, MI	
EMD, SW1200	1206 - 14394	SW1200 Locomotive	Lumber District, Chicago	New Traction Motor Installed
EMD, SW-1500	1203 - 25748	SW1500 Locomotive	Hennepin (Peoria Area) IL	Largest Loco, most up to date features, Needs work on injectors and linings
EMD, SW - 1200	1204-19486	SW1200 Locomotive	James, Iowa	Cracked draft gear pocket needs repair

Computer & Office Furniture Inventory			
Item	Make	Model	Serial Number
PC Equipment			
Backup Driver	Cyber Power	1285 AVR	
Computer	Compaq	Presario	MXF709002P
Computer	Dell	Optiplex 745	D2R46C1
Computer	Dell	Perislon 390	JMSN-IC1
Computer	Dell	Optiplex 320	2YPH2D1
Computer	Dell	PowerEdge BD4	
Computer	Dell	Optiplex 320	87MP2D1
Computer	Dell	Optiplex 745	43R4631
Laptop Computer	Dell	Latitude D630	99RCYF1
Laptop Computer	Dell	Latitude D520	D0B3PD1
Fax	Lexmark	X4270	0347YG27180
Monitor	Dell		CN-OCC388-71618-688-ACD3
Monitor	Dell		CN-OCC388-71618-698-8978
Monitor	Dell		CN-OUH837-48220-87T-00PO
Monitor	Dell		CN-OOC388-71618-698-BA5W
Monitor	Dell		CN-OUH837-48220-72Q-0072
Monitor	Samsung	NB18A5BB	NB19HCHX21283M
Monitor	Dell		CN-OCD323-71618-698-AAMV
Monitor	Dell		CN-OCC388-71618-698-8A6M
Printer	HP	HP Laserjet 1300	
Printer	HP	laserjet 1020	CNBK872829
Printer	Lexmark	Z645	02501617967 2006 / 12
Printer	HP	HP Laserjet 2420	DNGJD07746
Printer	HP	Deskjet D4160	
Printer	Lexmark	4113-001	102313144209 2006 / 06
Printer	HP	Deskjet 2400	TH77C324T
Printer/Copier/Scanner	Canon	IR3030	MUF04515
Printer/Scanner	Canon	Lide 70	QC2-291-D303-01
Printer/Scanner	Lexmark	X76/ 4406-F01	03325147553 2002 / 08
Office Furniture			
Receptionist Desk(1)			
Desks(5)			
Office Chairs (5)			
Waiting Room Chairs(4)			
Wing Back Chair (1)			
File Credenzas(3)			
Conference Table & 4 Chairs(1)			

QTY	Asset Type	Model	Description		Value	LOT Value
1	Equipment		1 ton Chain Hoist		\$ 184	\$ 184
1	Equipment		2 ton Chain Hoist		\$ 184	\$ 184
1	Equipment		20 ton H Frame Press		\$ 1,103	\$ 1,103
1	Equipment	Ingersol Rand	Air Compressor P175 Deisel - Portable		\$ 3,678	\$ 3,678
1	Equipment	Karguard	Air Compressor 10 HP Electric - Stationary		\$ 2,299	\$ 2,299
1	Equipment		Air Drill		\$ 460	\$ 460
4	Equipment		Air Hammers		\$ 1,379	\$ 5,517
4	Equipment		Air Hammers (in need of repair)		\$ 368	\$ 1,471
1	Equipment		Air Impact		\$ 2,759	\$ 2,759
1	Equipment		Air Impact Wrench		\$ 552	\$ 552
1	Equipment		Air Impact Wrench (in need of repair)		\$ 184	\$ 184
3	Equipment		Air Spike Drivers		\$ 552	\$ 1,655
10	Equipment		Air Spike Drivers (in need of repair)		\$ 368	\$ 3,678
1	Equipment		Aluminum Job Box (Large)		\$ 736	\$ 736
3	Equipment		Banding Machines		\$ 23	\$ 69
1	Equipment		Battery Charges 330 Amp		\$ 276	\$ 276
5	Equipment		Cross Level Gauges		\$ 92	\$ 460
1	Equipment		Electric Grinder		\$ 92	\$ 92
4	Equipment		Electric hand tampers		\$ 460	\$ 1,839
1	Equipment	Unknown	EOT Device		\$ 1,655	\$ 1,655
1	Equipment		Floor Fan BCD36		\$ 368	\$ 368
1	Equipment		Floor Jack (Transmission)		\$ 920	\$ 920
1	Equipment	Stumec	Generator		\$ 1,839	\$ 1,839

1	Equipment	Van Guard	Generator 052449	\$	460	\$	460
1	Equipment	Coleman	Generator 1800	\$	460	\$	460
1	Equipment	Jackson	Generator X4804	\$	2,759	\$	2,759
1	Equipment		Grinder - Hydraulic	\$	1,839	\$	1,839
4	Equipment		Hydr Pumps	\$	368	\$	1,471
1	Equipment		Hydr Rail Saw	\$	552	\$	552
1	Equipment		Hydr Tool Pack	\$	1,379	\$	1,379
2	Equipment		Hydr Vibrator (Part for Tamper)	\$	2,207	\$	4,414
1	Equipment	Stumec	IC Rail Drill - Gas 5 HP	\$	1,379	\$	1,379
2	Equipment		Metal Saw Horses	\$	184	\$	368
1	Equipment		MU Cable Kit	\$	1,839	\$	1,839
6	Equipment		Portable Derails	\$	184	\$	1,103
1	Equipment		Portable Derail-Double Ended	\$	900	\$	900
1	Equipment		Portable Gauge Tester	\$	460	\$	460
1	Equipment		Portable Steam Power Washer	\$	184	\$	184
1	Equipment		Rail Bender 25 ton	\$	460	\$	460
1	Equipment		Rail Bender 50 ton	\$	460	\$	460
1	Equipment		Rail Bender 25 ton rebuilt	\$	4,138	\$	4,138
1	Equipment		Rail Bender 50 ton rebuilt	\$	5,057	\$	5,057
1	Equipment	Nordberg	Rail Drill - Gas 3.0 HP	\$	2,759	\$	2,759
1	Equipment	Racine	Rail Drill - Gas 3.5 HP	\$	2,759	\$	2,759
1	Equipment	Nordberg	Rail Drill - Gas 3.5 HP	\$	2,759	\$	2,759
1	Equipment	Racine	Rail Drill - Gas 5 HP Burnt in fire (For Parts)	\$	3,218	\$	3,218
1	Equipment	Unknown	Rail Drill - Gas 5.5 HP	\$	2,759	\$	2,759
1	Equipment		Rail Drill - Hydraulic	\$	552	\$	552
16	Equipment	Unknown	Rail Jacks	\$	138	\$	2,207

1	Equipment	Shock Absorbed Airhammer	\$	2,759	\$	2,759
2	Equipment	Spike Pullers-Hydraulic	\$	552	\$	1,103
2	Equipment	Stater winding	\$	460	\$	920
2	Equipment	Stater winding (need rebuilt)	\$	184	\$	368
3	Equipment	Stop Hand Signs	\$	69	\$	207
7	Equipment	Switch Jacks	\$	1,379	\$	9,655
4	Equipment	Tampers - Electric Hand Tampers	\$	460	\$	1,839
3	Equipment	Track Gauges	\$	46	\$	138
6	Equipment	Transit Tripods	\$	276	\$	1,655
1	Equipment	Truck Tool Box	\$	736	\$	736
6	Equipment	Truck Tool Box	\$	368	\$	2,207
2	Equipment	Weed Eaters	\$	92	\$	184
1	Equipment	Work Bench / Press	\$	460	\$	460
						100,900
				2008 Depreciation		(50,000)
				Schedule 2 Fixed Assets		50,900

Fixed Asset Register

[illegible]

Fixed Asset Register

Internal Asset #	Year	Make	Asset Type	VIN #	Description	Owner	Net Book Value 12/31/09	Hilco Desktop Appraisal		Per Jeff Fully Operational (FO) Needs Repair (NR), Inoperable (I), Y=runs, N=does not run	X = Change in VIN, YEAR or Make from previous version	Comment
								Location	OLV	FV		
98-092	1998	GATERPILLAR, T80C	Equipment	38Y01082	Model T80C 6,000-Lb. LP Gas Lift Truck, 190" Lift	CRCS	1,357	Rochelle		Y		
98-548	1988	CITY	Trailer	11NA14389, A00548	45L Flatbed Trailer, Spill Aids, Dual Wheel	CRCS	708	Rochelle		N		No file
98-415	1999	Make Unknown (formerly described as COMP-AIR/LE RO)	Equipment	3515X415	Portable Air Compressor, Tfr Mounted,					Y		
	2000	DAKE	Equipment	151002	Model 50H 50-Ton H-Frame Press,	CRCS	2,109	Rochelle		Y		
	1978	DIERZEN (AKA SUMMIT TRL)	Trailer	324783803	Dump Trailers, Tandem Aids, Dual Wht, Lst 25-Yd	CRCS	230	Rochelle				
	1978	DIERZEN (AKA BOBKO)	Trailer	9751442	Dump Trailers, Tandem Aids, Dual Wht, Lst 25-Yd	CRCS	1,328	Rochelle	4,500	Y		agrees to file
01-582	1983 (formerly 2001)	DYNAWELD	Trailer	18K71AEX7P 1X23010	Flatbed Trailer, Tandem Aids, Single Wheel; w/ Drive-On	CRCS	1,328	Rochelle	4,000	N		agrees to file
	2001	DYNAWELD	Trailer	4U161AEX21 1040982	Flatbed Trailer, Tandem Aids, Spl Wht, Bvr Tail; w/ Dr-On	CRCS	885	Rochelle		N	X	agrees to file
93-010	1980 (formerly 1983)	Redhaul (formerly classified as DYNAWELD)	Trailer	47SS14273L1 008333 (formerly UNKN)	Flatbed Trailer, Tandem, Dual Wheel; w/ Dr-On Ramps;	CRCS	885	Rochelle		N		agrees to file
	1980	ECONOLINE	Trailer	42EDFE333L 1000662, (Lic plate number 65976TD)	P3000 Flatbed Trailer, 9-Ton Cap; w/ Dr-On Ramps;	CRCS	354	Chicago		N	X	changed to agree to file
X980	1980	FAIRMONT	Equipment	UNKN	Model W-113 Splice Pulley, Dual Head	CRCS	443	Rochelle		N		agrees to file
	1980	FAIRMONT	Equipment	UNKN	Flatbed Railcar; 16L x 8W Car Size	CRCS	959	Rochelle		NIR		
X101	2003	Falmont GEISMAR	Equipment	None 34895	Shovel Scraper Machine, w/ Gasoline Engine	CRCS	787	Rochelle				
	2000	GEISMAR	Equipment	5038	GB4 Generator, Cart Mntd; w/ 11 hp Gasoline Engine	CRCS	2,301	Rochelle	8,500	N		
						CRCS	230	Rochelle		N		

Fixed Asset Register

Internal Asset #	Year	Make	Asset Type	VIN #	Description	Owner	Net Book Value 12/31/09	Hilco Desktop Appraisal		Per Jeff Fully Operational (FO), Needs Repair (NR), Inoperable (I), Y=runs, N=does not run	X = Change in VIN, YEAR or Make from previous version	Comment
								OLV	PV			
88-380	1987	KERSHAW	Equipment	28-14285033700 1/2-D-0173533 2380	Model 28-2-1 Ballast Regulator, Winch Deployed	CRCS						
X1487		Kershaw		20-114-87	Rail Lifter	CRCS	7,870	28,000	32,000	NR		
80-984	1980	KERSHAW, 12-1	Equipment	UNKN	Model 12-1 Tie Handling Crane	CRCS	1,342			FO		
85-885	1990	KERSHAW, 12-2	Equipment	12-438	Model 12-2 1,200-Lb. Tie Handling Crane	CRCS	1,342			FO		
X254	1990	KERSHAW, 34-3	Equipment	254	Model 34-3 Scissor/lifter	CRCS				NR		
	2003	LANDOLL	Trailer	1LH317UH03 1C13081	48" Drop Deck Trailer, VIN, Tie Deck, Rail Service, Tandem Axle, Dual Wheel; with Rail; and Winch	CRCS	1,818					
	1984	LANDOLL	Trailer	1LH317VH8R 1007215	48" Dnp Dck Trl; Tandem Axle, 102" W, Tie Deck, 34TXR 34-Ton Mobile Crane w/ Hy-Rail (Inoperable)	CRCS	7,080	11,500	14,500	Y		Agrees to file
	1985	LITTLE GIANT	Equipment	TX8510		CRCS	4,425	4,500	8,000	NR		Agrees to file
	2002	MILLER	Equipment	LC070449	Thunderbolt XL 250-Amp Arc Welder	CRCS	98			Y		
	1988	MILWAUKEE	Equipment	88031817	Model 6175 14" Chop Saw	CRCS	58			Y		
X100	1990	Norberg	Equipment	UNKN	Rail Lifter (Not in Service, Inoperable)	CRCS	0					
X104		Norberg		None	Tie Straightener	CRCS						
X110	1990	NORDBERG, A	Equipment	110	Model A Spike Driver	CRCS	3,835	10,000	12,500	I		
82-125	1982	NORDBERG, B	Equipment	125	Model B Spike Driver, S/N 125; Hydraulic, Dual Position, Manual Feed, Hours Not Available; with (2) 2-Position Splice Guns, Diesel Engine; and Onboard Hydraulic Power Unit	CRCS						
85-550	1985	NORDBERG, B	Equipment	550	Model B Rail Spike Driver	CRCS	3,835	5,500	5,500	I		
						CRCS	3,835	5,500	5,750	NR		

Fixed Asset Register

Internal Asset #	Year	Make	Asset Type	VIN #	Description	Owner	Net Book Value 12/31/09	Hilco Desktop Appraisal		Per Jeff Fully Operational (FO), Needs Repair (NR), Inoperable (I), Y=runs, N= does not run	X = Change in VIN, YEAR or Make from previous version	Comment
								OLV	FV			
95-039 (switched from Chicago list)	1995	PANDROL JACKSON, 2400	Equipment	144039 (formerly 138082)	Model 2400 Tamper							
93-317	1993	PANDROL JACKSON, 5500	Equipment	138317	Model 5500 Ballast Regulator, Winch Deployed;	CRCS	13,423	75,000	85,000	NR	X	
94-207	1994	PANDROL JACKSON, 8100	Equipment	TKO-694-3207	Model TKO 8100 Tie Exchanger	CRCS	9,588	50,000	55,000	NR		
92-228	1992	PANDROL JACKSON, 925	Equipment	138228	Model 925 Tie Exchanger,	CRCS	13,423	65,000	70,000	I		
90-352	1990	PANDROL JACKSON, 925	Equipment	146352	Model 925 Tie Exchanger,	CRCS	7,870	35,000	38,000	I		
X3513	1990	PANDROL JACKSON, W7000	Equipment	PJ83513	Model W7000 Rail Lifter, (Rebuilt By JER Overhaul)	CRCS	7,870	35,000	38,000	NR		
X226	1990	PETIBONE, 441	Equipment	226	Speed Swing w/ Hydraulic Hy-Rail System	CRCS	2,878			I		
X2987	2004	PETIBONE, 455	Equipment	2987	Model 441-A Speed Swing	CRCS	15,340	30,000	42,500	FO		
X329	1974	PETIBONE, 441	Equipment	329	Model 441-A Speed Swing (Used For Parts)							
	2000	RED-D-ARC	Equipment	4353	Model GK270 Welder Generator, 250-Amps	CRCS	959			NR		
	1995 (formerly 1994)	RETNOUER	Trailer	1RNF-48A20S R002162	Flatbed Trailer, Split Axle, Dual Tire;	CRCS	480			N		
	2000	SHARK	Equipment	UNKN	Pressure Washer, Portable	CRCS	2,655	8,000	8,500	Y	X	agrees to file
	2008	Shop Tools, Equip	Equipment		See Small Tools Equip Schedule 2	CRCS	307			Y		
	1980	STIMAC	Equipment	8627610/4	ATAP32GB4 Diesel Generator, Est 7.5 Hp; Elec Start	CRCS	51,593					
						CRCS	115					

Fixed Asset Register

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								OLV	FV			
93-512	1993 (formerly 1979)	Tamper (formerly described as STOUGHTON)	Trailer	11TF48207F1 039512 (formerly UNKN)	Utility Trailer, Tandem Axle, Dual Wheel	CRCS	89	Rochelle		N	X	changed to agree to file
100-413	1979	STOUGHTON	Trailer	79-2785-2	40L Storage Trailer, Tandem Axle, Dual Wheel	CRCS	44	Rochelle		N		agree to file
	2000	SULLAIR	Equipment	004-100413 DHI	185 DPQ-JDD Portable Air Compressor	CRCS	767	Rochelle		Y		
	2000	SULLAIR	Equipment	188P-235077	Model 185 DPQ Air Compressor, Tfr Mount	CRCS	767	Rochelle		N		
	2000	Ingersoll (formerly described as SULLAIR)	Equipment	unknown	Portable Air Compressor, w/ Piple	CRCS	575	Rochelle		Y		
	1997 (formerly 1998)	TALBLURT	Trailer	40FE04828V1 018105	40-Ton Flatbed Tfr, 48" L, Split Axle, Dual Wheel	CRCS	2,036	Rochelle	3,500	N	X	agree to file
688022	1990	TAMPER, MK-1, EA-S	Equipment	689-922 (formerly 1081017)	Mark I EA-S Tampers							
674-106	1990	TAMPER, MK-1, EA-TDG	Equipment	674106 [Revised 11/01/08]	Mark I EA-TDG Tampers (Torsion beam)	CRCS	5,753	Rochelle	25,000	NR	X	
84-304	1984	TAMPER, TR-1	Equipment	5580304	Model TR-1 Railroad Tie Insert	CRCS	4,794	Rochelle		NR		
92-830	1985	TAMPER, TR-10	Equipment	5580930	Model TR-10/111 Railroad Tie Exchanger	CRCS	1,918	Rochelle		NR		
	2008	Tool Rebuilds	Equipment		Jack Hammers, Rail Benders	CRCS	34,515	Rochelle	80,000	NR		
	1986	TRAIL KING	Trailer	1TKJ04737TM 044837 (FORMERLY M4837A/5201) UNKN	TK100H-DG Equipment Trailer, Triple Axle, 100,000-Lb.	CRCS	7,342	Rochelle				
	2000	UNKN	Equipment	UNKN	16" Rail Saws	CRCS	3,894	Rochelle	19,000	Y	X	changed to agree to file
	2000	UNKN	Equipment	UNKN	16" Rail Saws	CRCS	288	Rochelle		N		
	2004	UNKN	Equipment	UNKN	Flatbed Railcar	CRCS	182	Rochelle				

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	2000	UNKN	Equipment	UNKN	Air Compressor, 20 hp; Horizontal Tank Mounted;	CRCS	192	Rochelle	618,500	786,750	N	
Equipment - Chicago 03-864	2003	ATLAS COOPER	Equipment	4500A08183H-006864	XA398JD Portable Air Compressor, w/ Pintle Hitch	CRCS	2,685	Chicago		Y		
	1966 (FORMERLY RLY EXPRESS) 1990	TRAILMOBILE	Trailer	A11A1AACG10213 (formerly Enclosed, 6W x 4L101C122X WA882447)	Utility Trailer.	CRCS	89	Chicago		N	X	changed to agree to title
97-500	1987	CASE, 1845C	Equipment	JAF0224500	1845C Skid Steer Ldr, w/ Loading Bucket; end Forks	CRCS	4,523	Chicago	7,500	11,250	Y	
85-609	1985	CASE, 580	Equipment	17027608	580 Ldr Backhoe, Trench Shv; 7' Ld Bucket; Hy-Rail	CRCS	4,750	Chicago	10,000	17,250	Y	
87-147	1987	CASE, 580K	Equipment	17424147 (formerly 17422817)	580K Ldr Backhoe, Trench Shv; 7' Ld Bckt; w/ Hy-Rail	CRCS	5,428	Chicago	11,500	17,500	Y	X
98-837	1986	CASE, 621B	Equipment	JEE0051637	621B Artic Wheel Ldr, w/ Loading Bucket	CRCS	15,832	Chicago	21,500	39,500	Y	
	2000	CORE CUT	Equipment	UNKN	Model CC1800 Concrete Saw; Est 18" Blade	CRCS	460	Chicago		Y		
87-043	1987	EAGER BEAVER	Trailer	120AP208HS050043	5580 Flatbed Trl; Tandem, Single Tire; Dr-On Ramps;	CRCS	443	Chicago		Y	X	agrees to title
	2003	GEISMAR	Equipment	34524	BSR-3 Bolt Machine, w/ Gasoline Engine	CRCS	2,301	Chicago	9,500	10,000	Y	
	2000	GEISMAR	Equipment	UNKN	Bolt Machine; Portable, Est 7.5 hp Gasoline Engine	CRCS	959	Chicago		N		
	1988	JOHN DEERE, 624	Equipment	DW624HY697664	Model 624-H Arctic Wm Ldr, 4-Wheel Drive	CRCS	22,617	Chicago	32,500	57,500	Y	
	1985	KERSHAW	Equipment	12-888-85	12.4 Tie Handling Crane.	CRCS	1,918	Chicago		Y		
	1982	MILLER	Equipment	KC268372	Bobcat 225G 225-Amp Welder Generator	CRCS	460	Chicago		Y		

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								OLV	FV			
	1984 (formerly MONONEVANS 1980)	Trailer		1MOCR2819E (formerly 50045)	Trailer	CRCS	44	Chicago		NR	X	changed to agree to file
90-082 (switches and from Rochelle list)	1990	PANDROL JACKSON, 2400	Equipment	136082	Model 2400 Tampor	CRCS	3,835	Chicago (switched from Rochelle)	75,000	FO	X	
92-316	1996	PANDROL JACKSON, 5500	Equipment	136316	Model 5500 Ballast Regulator, Winch	CRCS	8,588	Chicago	50,000	Y		
92-145	1992	PANDROL JACKSON, 825	Equipment	137145	Model 825 SS Tie Exchanger	CRCS	8,828	Chicago	35,000	Y		
X122	1990	PETTIBONE, 441	Equipment	1885	441-BD Speed Swing w/ Hy-Rail, Bucket, and Forks	CRCS	959	Chicago		N		
	2000	STANLEY	Equipment	UNKN	Model 210 Hydraulic Power Unit, 18 hp	CRCS	480	Chicago		Y		
	2000	SULLAIR	Equipment	004-126373	185 DFO JD Recipr Air Compressor, Tfr Mount	CRCS	537	Chicago		Y		
081017 (from	1990	TAMPER, MK-1, EA-JDG	Equipment	1081017 (formerly 688922)	Mark I EA-JDG Tampor w/ Cab Enclosure N LOC							
	2000	UNKN	Equipment	UNKN	Specialty Manufactured Railcar, Utility Rail, 8'W x 18'L	CRCS	7,670	Chicago	27,500	Y	X	
	2000	UNKN	Equipment	UNKN	Concrete Saw	CRCS	479	Chicago		Y		
	2000	UNKN	Equipment	UNKN	16" Rail Saws	CRCS	288	Chicago		Y		
	2000	UNKN	Equipment	UNKN	18" Rail Saws	CRCS	288	Chicago		Y		
	2000	WISCONSIN	Equipment	40854458158	Model AENLD2 Hydraulic Power Unit	CRCS	192	Chicago				
	Lighting-Lumber District	Improvement			Lighting at Lumber Dist	CIRY	420	Chicago				
	Radios	Equipment			Motorole Portable Rad	CIRY	6,854	Chicago				
	Weeddealer	Equipment			Weeddealer	CIRY	463	Chicago				
	Hoistart	Equipment			Re-build Hot Start at Lu	CIRY	7,500	Chicago	280,000			
	Equipment - Unknown location											
Vehicles												

Fixed Asset Register

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								OLV	FV			
	2002	CHEVROLET	Vehicle	1GCEG19W22300079	Silverado C1500 Pickup w/ Extended Cab	CRCG	2,655	Portage		Y		agrees to file
	2002	FORD	Vehicle	1FTNX20F82ED58074	F-250 XL Pickup Long Bed, Edd Cab.	CRCG	0	Rochelle				agrees to file
	2001	FORD	Vehicle	2FTZF16281C A46387	F-150 XL Pickup 4x4	CRCG	2,655	Rochelle		N		agrees to file
	1985	FORD	Vehicle	1FTHX26H65KA64137	F-250 XL Super Cab, 4x4 Auto, w/ Hy-Rail System	CRCG	1,659	Rochelle		N		agrees to file
	2000	FORD	Vehicle	1FDWW36FX YEA36150	F-350 Cab & Chassis Truck, w/ Tool Boxes	CRCG	4,314	Rochelle		N		agrees to file
	2002	FORD	Vehicle	1FDWW36F4 2EB10248	F-350 Cab & Chassis Utility Body; and Tool Boxes;	CRCG	4,878	Rochelle		Y		agrees to file
	2005	FORD	Vehicle	1FDWW36F4 5EA48127	F-350, Super Cab; w/ Utility Body	CRCG	8,785	Rochelle		N		agrees to file
	2001	FORD	Vehicle	2FTRX17W81CA93721	F-150 XL Pickup w/ Tool Boxes	CRCG	2,323	Chicago		Y		agrees to file
	2001	FORD	Vehicle	1FTZF17291N B68766	F-150 XL Pickup w/ Tool Boxes	CRCG	1,493	Chicago		Y		agrees to file
	1989	FORD	Vehicle	1FDWW36F6 XEE80270	F-350 XLT Super Crew, w/ Utility Body; and Tool Boxes	CRCG	3,983	Chicago		Y		agrees to file
	1987 (formerly 1988)	FORD	Vehicle	1FDYA90LH VA02540	LTL-9000 Dump, 15 CY, w/ Hy-Rail (Not Roadworthy)	CRCG	1,659	Chicago		Y	X	agrees to file
	2005	FORD	Vehicle	1FMYL82Z25KA 47208	Escape SUV V6 Auto Transmission	CIRH	2,124	Chicago		Y		agrees to file
	1987	GMC	Vehicle	1GDT8CAY7H V509696	J7500 Truck, w/ Hydr Utility Body; Utility Box; & Hy-Rail	CRCG	0	Rochelle		N		agrees to file
	1992	KENWORTH	Vehicle	1XKAD6X3N S676229	T-600 CONVENTIONAL TRACTOR	CRCG	4,071	Rochelle		Y		agrees to file
	2004	STERLING	Vehicle	2FWJAZA574 AM87732	LT9513 Conventional Tractor	CRCG	38,187	Rochelle	15,000	Y		agrees to file
			Inventory		All Inventory, Storage Trailers and Trailer contents				15,000			

Additional Items found 6-30-2010 that should be added to the list above added.

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								Location	OLV			
	2004	FORD	Vehicle	1FMYU93184KB34454	Escape SUV, v6 Auto Transmission, 4X4							
	2002	FORD	Vehicle	1FTRX17W82NB87848	F-150 Pickup, Crew Cab, (Leased; Not Inspected)	CIRY		Chicago		Y		agrees to file
	2000	RED-D-ARC	Equipment		Model GK270 Welder Generator, 250-Amps	CRCS	460	Rochelle		NO		agrees to file
		Unknown			Flatbed Railcar	CRCS		Rochelle		N		
		Unknown			Flatbed Railcar	CRCS		Rochelle				